

EXECUTIVE SUMMARY - ENFORCEMENT MATTER
DOCKET NO.: 2007-2039-AIR-E TCEQ ID: RN100238385 CASE NO.: 35136
RESPONDENT NAME: Valero Refining-Texas, L.P.

Page 1 of 2

ORDER TYPE:		
<input checked="" type="checkbox"/> 1660 AGREED ORDER	<input type="checkbox"/> FINDINGS AGREED ORDER	<input type="checkbox"/> FINDINGS ORDER FOLLOWING SOAH HEARING
<input type="checkbox"/> FINDINGS DEFAULT ORDER	<input type="checkbox"/> SHUTDOWN ORDER	<input type="checkbox"/> IMMINENT AND SUBSTANTIAL ENDANGERMENT ORDER
<input type="checkbox"/> AMENDED ORDER	<input type="checkbox"/> EMERGENCY ORDER	
CASE TYPE:		
<input checked="" type="checkbox"/> AIR	<input type="checkbox"/> MULTI-MEDIA (check all that apply)	<input type="checkbox"/> INDUSTRIAL AND HAZARDOUS WASTE
<input type="checkbox"/> PUBLIC WATER SUPPLY	<input type="checkbox"/> PETROLEUM STORAGE TANKS	<input type="checkbox"/> OCCUPATIONAL CERTIFICATION
<input type="checkbox"/> WATER QUALITY	<input type="checkbox"/> SEWAGE SLUDGE	<input type="checkbox"/> UNDERGROUND INJECTION CONTROL
<input type="checkbox"/> MUNICIPAL SOLID WASTE	<input type="checkbox"/> RADIOACTIVE WASTE	<input type="checkbox"/> DRY CLEANER REGISTRATION
<p>SITE WHERE VIOLATION(S) OCCURRED: Valero Refining Texas City Refinery, 1301 Loop 197 South, Texas City, Galveston County</p> <p>TYPE OF OPERATION: Oil and gas refining operation</p> <p>SMALL BUSINESS: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>OTHER SIGNIFICANT MATTERS: There are no complaints. There are four additional pending enforcement actions regarding this facility location, Docket Nos. 2007-0603-AIR-E, 2007-1234-AIR-E, 2007-1413-AIR-E, and 2007-1512-AIR-E.</p> <p>INTERESTED PARTIES: No one other than the ED and the Respondent has expressed an interest in this matter.</p> <p>COMMENTS RECEIVED: The <i>Texas Register</i> comment period expired on May 12, 2008. No comments were received.</p> <p>CONTACTS AND MAILING LIST: TCEQ Attorney/SEP Coordinator: Ms. Melissa Keller, SEP Coordinator, Enforcement Division, MC 219, (512) 239-1768 TCEQ Enforcement Coordinator: Mr. Jorge Ibarra, P.E., Enforcement Division, Enforcement Team 3, MC R-04, (817) 588-5890; Mr. Bryan Sinclair, Enforcement Division, MC 219, (512) 239-2171 Respondent: CT Corporation System, Registered Agent, Valero Refining-Texas, L.P., 1021 Main Street, Suite 1150, Houston, Texas 77002 Mr. Adrian Araiza, Manager, Environmental Affairs, Valero Refining-Texas, L.P., P.O. Box 3429, Texas City, Texas 77592-3492 Respondent's Attorney: Not represented by counsel on this enforcement matter</p>		

VIOLATION SUMMARY CHART:

VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
<p>Type of Investigation: <input type="checkbox"/> Complaint <input type="checkbox"/> Routine <input type="checkbox"/> Enforcement Follow-up <input checked="" type="checkbox"/> Records Review</p> <p>Date(s) of Complaints Relating to this Case: None</p> <p>Date of Investigation Relating to this Case: November 28, 2007</p> <p>Date of NOV/NOE Relating to this Case: December 5, 2007 (NOE)</p> <p>Background Facts: This was a routine record review.</p> <p>AIR</p> <p>Failed to maintain an emission rate below the maximum allowable emission limits from Boiler 27 [emission point number ("EPN EB-27")], Boiler 28 ("EPN EB-28"), No. 1 Flare Stack ("EPN EFL-01"), No. 2 Flare Stack ("EPN EFL-02"), No. 3 Flare Stack ("EPN EFL-03"), and No. 4 Flare Stack ("EPN EFL-04"). Specifically, 1,730 pounds ("lbs") of volatile organic compounds, 890.7 lbs of sulfur dioxide, 86.9 lbs of nitrogen oxides, 18.5 lbs of carbon dioxide, and 10 lbs of hydrogen sulfide were emitted on September 27, 2007 in a 2 hour, 1 minute period [30 TEX. ADMIN. CODE § 116.715(a), Permit No. 39142, Special Condition No. 1, and TEX. HEALTH & SAFETY CODE § 382.085(b)].</p>	<p>Total Assessed: \$10,000</p> <p>Total Deferred: \$2,000 <input checked="" type="checkbox"/> Expedited Settlement <input type="checkbox"/> Financial Inability to Pay</p> <p>SEP Conditional Offset: \$4,000</p> <p>Total Paid to General Revenue: \$4,000</p> <p>Site Compliance History Classification <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p>Person Compliance History Classification <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p>Major Source: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Applicable Penalty Policy: September 2002</p>	<p>Ordering Provisions:</p> <p>1) The Order will require the Respondent to implement and complete a Supplemental Environmental Project (SEP). (See SEP Attachment A)</p> <p>2) The Order will also require the Respondent to:</p> <p>a. Within 30 days after the effective date of this Agreed Order, develop and implement measures to improve design, operations, and/or maintenance practices to prevent the reoccurrence of events similar to the emission events that occurred on September 27, 2007; and</p> <p>b. Within 45 days after the effective date of this Agreed Order, submit written certification and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision 2.a.</p>

Additional ID No(s): GB0073P

Attachment A
Docket Number: 2007-2039-AIR-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	Valero Refining-Texas, L.P.
Payable Penalty Amount:	Eight Thousand Dollars (\$8,000)
SEP Amount:	Four Thousand Dollars (\$4,000)
Type of SEP:	Pre-approved
Third-Party Recipient:	Houston-Galveston AERCO's Clean Cities/Clean Vehicles Program
Location of SEP:	Galveston County

The Texas Commission on Environmental Quality ("TCEQ") agrees to offset a portion of the administrative Penalty Amount assessed in this Agreed Order for the Respondent to contribute to a Supplemental Environmental Project ("SEP"). The offset is equal to the SEP Amount set forth above and is conditioned upon completion of the project in accordance with the terms of this Attachment A.

1. Project Description

A. Project

The Respondent will contribute to Houston-Galveston AERCO's Clean Cities/Clean Vehicles Program in Galveston County. The contribution will be used in accordance with the *Supplemental Environmental Project Agreement between the Houston-Galveston AERCO and the Texas Commission on Environmental Quality*. SEP monies will be used to aid local school districts and area transit agencies in reaching local match requirements mandated by the Federal Highway Administration's ("FHWA") Congestion Mitigation/Air Quality funding program. SEP monies will be disbursed to school districts and transit agencies in need of funding assistance in the Houston-Galveston non-attainment area. Those SEP monies will be used exclusively by the school districts and transit agencies as supplements to meet the local match requirements of the EPA. SEP monies will be used to pay for the cost of replacing older diesel buses with alternative fueled or clean diesel buses. The old buses will be permanently retired and only sold for scrap. The schools and transit agencies will also use the SEP monies to retrofit more buses to reduce emissions. Houston-Galveston AERCO will send the TCEQ verification in the form of paid invoices and other documentation to show that the retrofits were completed. Retrofit technologies include particulate matter traps, diesel particulate matter filters, NOx reduction catalyst technology in combination with diesel particulate filters, and other emission control technologies that are developed and approved by EPA or the California Air Resources Board.

The Respondent certifies that there is no prior commitment to do this project and that it is being performed solely in an effort to settle this enforcement action.

B. Environmental Benefit

This SEP will provide a discernible environmental benefit by reducing particulate emissions on buses by more than 90% below today's level and reducing hydrocarbons below measurement capability.

C. Minimum Expenditure

The Respondent shall contribute at least the SEP Amount to the Third-Party Recipient and comply with all other provisions of this SEP.

2. Performance Schedule

Within 30 days after the effective date of this Agreed Order, the Respondent must contribute the SEP Amount to the Third-Party Recipient. The Respondent shall mail the contribution, with a copy of the Agreed Order, to:

Houston-Galveston Area Council
Houston-Galveston AERCO
P.O. Box 22777
Houston, Texas 77227-2777

3. Records and Reporting

Concurrent with the payment of the SEP Amount, the Respondent shall provide the TCEQ SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP Amount to the Third-Party Recipient. The Respondent shall mail a copy of the check and transmittal letter to:

Enforcement Division
Attention: SEP Coordinator, MC 219
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

4. Failure to Fully Perform

If the Respondent does not perform its obligations under this SEP in any way, including full payment of the SEP Amount and submittal of the required reporting described in Section 3 above, the Executive Director may require immediate payment of all or part of the SEP Amount.

The check for any amount due shall be made out to "Texas Commission on Environmental Quality" and mailed to:

Texas Commission on Environmental Quality
Financial Administration Division, Revenues
Attention: Cashier, MC 214
P.O. Box 13088
Austin, Texas 78711-3088

The Respondent shall also mail a copy of the check to the TCEQ SEP Coordinator at the address in Section 3 above.

5. Publicity

Any public statements concerning this SEP made by or on behalf of the Respondent must include a clear statement that the project was performed as part of the settlement of an enforcement action brought by the TCEQ. Such statements include advertising, public relations, and press releases.

6. Clean Texas Program

The Respondent shall not include this SEP in any application made to TCEQ under the "Clean Texas" (or any successor) program(s). Similarly, the Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

7. Other SEPs by TCEQ or Other Agencies

The SEP identified in this Agreed Order has not been, and shall not be, included as an SEP for the Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.



Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision November 6, 2007

TCEQ

DATES	Assigned	10-Dec-2007	Screening	20-Dec-2007	EPA Due	31-Aug-2008
	PCW	21-Dec-2007				

RESPONDENT/FACILITY INFORMATION

Respondent	Valero Refining-Texas, L.P.		
Reg. Ent. Ref. No.	RN100238385		
Facility/Site Region	12-Houston	Major/Minor Source	Major

CASE INFORMATION

Enf./Case ID No.	35136	No. of Violations	1	
Docket No.	2007-2039-AIR-E	Order Type	1660	
Media Program(s)	Air	Enf. Coordinator	Jorge Ibarra, P.E.	
Multi-Media		EC's Team	Enforcement Team 3	
Admin. Penalty \$	Limit Minimum	\$0	Maximum	\$10,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties) Subtotal 1 **\$5,000**

ADJUSTMENTS (+/-) TO SUBTOTAL 1

Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.

Compliance History 277% Enhancement Subtotals 2, 3, & 7 **\$13,850**

Notes: The Respondent was issued 19 NOVs with the same/similar type of violations, three NOVs without the same/similar type of violations, one Court Order, three 1660 Agreed Orders, two Findings Orders, and self-reported 18 months of effluent violations.

Culpability No 0% Enhancement Subtotal 4 **\$0**

Notes: The Respondent does not meet the culpability criteria.

Good Faith Effort to Comply 0% Reduction Subtotal 5 **\$0**

	Before NOV	NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary		
N/A	X	(mark with x)

Notes: The Respondent does not meet the good faith criteria.

Total EB Amounts \$233 **Subtotal 6** **\$0**
Approx. Cost of Compliance \$5,000 **0% Enhancement***
 *Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7 Final Subtotal **\$18,850**

OTHER FACTORS AS JUSTICE MAY REQUIRE 0% Adjustment **\$0**

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes

Final Penalty Amount **\$18,850**

STATUTORY LIMIT ADJUSTMENT Final Assessed Penalty **\$10,000**

DEFERRAL 20% Reduction Adjustment **-\$2,000**

Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

Notes

Deferral offered for expedited settlement.

PAYABLE PENALTY **\$8,000**

Screening Date 20-Dec-2007

Docket No. 2007-2039-AIR-E

PCW

Respondent Valero Refining-Texas, L.P.

Policy Revision 2 (September 2002)

Case ID No. 35136

PCW Revision November 6, 2007

Reg. Ent. Reference No. RN100238385

Media [Statute] Air

Enf. Coordinator Jorge Ibarra, P.E.

Compliance History Worksheet

>> Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written NOVs with same or similar violations as those in the current enforcement action (number of NOVs meeting criteria)	19	95%
	Other written NOVs	21	42%
Orders	Any agreed final enforcement orders containing a denial of liability (number of orders meeting criteria)	3	60%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	2	50%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (number of judgements or consent decrees meeting criteria)	1	30%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (number of counts)	0	0%
Emissions	Chronic excessive emissions events (number of events)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which notices were submitted)	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which violations were disclosed)	0	0%
Please Enter Yes or No			
Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2) 277%

>> Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

>> Compliance History Person Classification (Subtotal 7)

Average Performer

Adjustment Percentage (Subtotal 7) 0%

>> Compliance History Summary

Compliance History Notes

The Respondent was issued 19 NOVs with the same/similar type of violations, three NOVs without the same/similar type of violations, one Court Order, three 1660 Agreed Orders, two Findings Orders, and self-reported 18 months of effluent violations.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 277%

Screening Date 20-Dec-2007

Docket No. 2007-2039-AIR-E

PCW

Respondent Valero Refining-Texas, L.P.

Policy Revision 2 (September 2002)

Case ID No. 35136

PCW Revision November 6, 2007

Reg. Ent. Reference No. RN100238385

Media [Statute] Air

Enf. Coordinator Jorge Ibarra, P.E.

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code § 116.715(a), Permit No. 39142, Special Condition No. 1, and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to maintain an emission rate below the maximum allowable emission limits from Boiler 27 [emission point number ("EPN EB-27")], Boiler 28 ("EPN EB-28"), No. 1 Flare Stack ("EPN EFL-01"), No. 2 Flare Stack ("EPN EFL-02"), No. 3 Flare Stack ("EPN EFL-03"), and No. 4 Flare Stack ("EPN EFL-04"). Specifically, 1,730 pounds ("lbs") of volatile organic compounds, 890.7 lbs of sulfur dioxide, 86.9 lbs of nitrogen oxides, 18.5 lbs of carbon dioxide, and 10 lbs of hydrogen sulfide were emitted on September 27, 2007 in a 2 hour, 1 minute period.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual		x	
Potential			

Percent 50%

>> Programmatic Matrix

Falsification			
	Major	Moderate	Minor

Percent 0%

Matrix Notes

Human health or the environment in the Houston-Galveston-Brazoria ozone nonattainment area has been exposed to significant amounts of pollutants which did not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$5,000

\$5,000

Violation Events

Number of Violation Events 1

1 Number of violation days

mark only one with an x	daily	
	monthly	x
	quarterly	
	semiannual	
	annual	
	single event	

Violation Base Penalty \$5,000

One monthly event is recommended.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$233

Violation Final Penalty Total \$18,850

This violation Final Assessed Penalty (adjusted for limits) \$10,000

Economic Benefit Worksheet

Respondent Valero Refining-Texas, L.P.
Case ID No. 35136
Reg. Ent. Reference No. RN100238385
Media Air
Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

Delayed Costs

Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System				0.0	\$0	n/a	\$0
Training/Sampling				0.0	\$0	n/a	\$0
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)	\$5,000	27-Sep-2007	1-Sep-2008	0.9	\$233	n/a	\$233

Notes for DELAYED costs

Estimated cost to maintain an emission rate below the maximum allowable emission limits and to develop and implement measures to improve design, operations, and/or maintenance practices to prevent the reoccurrence of emission events. Date Required is the date of the emission event. Final Date is the expected compliance date.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.0	\$0	\$0	\$0
Personnel				0.0	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment				0.0	\$0	\$0	\$0
Financial Assurance [2]				0.0	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$5,000

TOTAL

\$233

Compliance History

Customer/Respondent/Owner-Operator:	CN600127468	Valero Refining-Texas, L.P.	Classification: AVERAGE	Rating: 6.12																																																																																																																																	
Regulated Entity:	RN100238385	VALERO REFINING TEXAS CITY REFINERY	Classification: AVERAGE	Site Rating: 5.28																																																																																																																																	
ID Number(s):	<table border="0"> <tr> <td>AIR OPERATING PERMITS</td><td>ACCOUNT NUMBER</td><td>GB0073P</td></tr> <tr> <td>AIR OPERATING PERMITS</td><td>PERMIT</td><td>1253</td></tr> <tr> <td>AIR OPERATING PERMITS</td><td>PERMIT</td><td>2599</td></tr> <tr> <td>AIR OPERATING PERMITS</td><td>PERMIT</td><td>2599</td></tr> <tr> <td>WASTEWATER</td><td>PERMIT</td><td>TPDES0006009</td></tr> <tr> <td>WASTEWATER</td><td>PERMIT</td><td>WQ0000449000</td></tr> <tr> <td>WASTEWATER</td><td>PERMIT</td><td>TX0006009</td></tr> <tr> <td>AIR NEW SOURCE PERMITS</td><td>PERMIT</td><td>39142</td></tr> <tr> <td>AIR NEW SOURCE PERMITS</td><td>PERMIT</td><td>42395</td></tr> <tr> <td>AIR NEW SOURCE PERMITS</td><td>PERMIT</td><td>42394</td></tr> <tr> <td>AIR NEW SOURCE PERMITS</td><td>PERMIT</td><td>48330</td></tr> <tr> <td>AIR NEW SOURCE PERMITS</td><td>ACCOUNT NUMBER</td><td>GB0073P</td></tr> <tr> <td>AIR NEW SOURCE PERMITS</td><td>PERMIT</td><td>962</td></tr> <tr> <td>AIR NEW SOURCE PERMITS</td><td>PERMIT</td><td>8352</td></tr> <tr> <td>AIR NEW SOURCE PERMITS</td><td>PERMIT</td><td>8617A</td></tr> <tr> <td>AIR NEW SOURCE PERMITS</td><td>PERMIT</td><td>53530</td></tr> <tr> <td>AIR NEW SOURCE PERMITS</td><td>EPA ID</td><td>PSDTX822</td></tr> <tr> <td>AIR NEW SOURCE PERMITS</td><td>AFS NUM</td><td>4816700007</td></tr> <tr> <td>AIR NEW SOURCE PERMITS</td><td>EPA ID</td><td>PSDTX822M2</td></tr> <tr> <td>AIR NEW SOURCE PERMITS</td><td>PERMIT</td><td>71076</td></tr> <tr> <td>AIR NEW SOURCE PERMITS</td><td>REGISTRATION</td><td>75542</td></tr> <tr> <td>AIR NEW SOURCE PERMITS</td><td>REGISTRATION</td><td>75695</td></tr> <tr> <td>AIR NEW SOURCE PERMITS</td><td>REGISTRATION</td><td>72517</td></tr> <tr> <td>AIR NEW SOURCE PERMITS</td><td>REGISTRATION</td><td>73799</td></tr> <tr> <td>AIR NEW SOURCE PERMITS</td><td>REGISTRATION</td><td>76530</td></tr> <tr> <td>AIR NEW SOURCE PERMITS</td><td>REGISTRATION</td><td>76967</td></tr> <tr> <td>AIR NEW SOURCE PERMITS</td><td>REGISTRATION</td><td>77806</td></tr> <tr> <td>AIR NEW SOURCE PERMITS</td><td>REGISTRATION</td><td>79850</td></tr> <tr> <td>AIR NEW SOURCE PERMITS</td><td>REGISTRATION</td><td>79881</td></tr> <tr> <td>AIR NEW SOURCE PERMITS</td><td>REGISTRATION</td><td>80132</td></tr> <tr> <td>AIR NEW SOURCE PERMITS</td><td>REGISTRATION</td><td>80059</td></tr> <tr> <td>AIR NEW SOURCE PERMITS</td><td>REGISTRATION</td><td>80581</td></tr> <tr> <td>AIR NEW SOURCE PERMITS</td><td>REGISTRATION</td><td>81005</td></tr> <tr> <td>AIR NEW SOURCE PERMITS</td><td>REGISTRATION</td><td>81523</td></tr> <tr> <td>AIR NEW SOURCE PERMITS</td><td>REGISTRATION</td><td>81621</td></tr> <tr> <td>AIR NEW SOURCE PERMITS</td><td>REGISTRATION</td><td>81695</td></tr> <tr> <td>AIR NEW SOURCE PERMITS</td><td>REGISTRATION</td><td>82055</td></tr> <tr> <td>AIR NEW SOURCE PERMITS</td><td>REGISTRATION</td><td>82462</td></tr> <tr> <td>AIR NEW SOURCE PERMITS</td><td>REGISTRATION</td><td>82434</td></tr> <tr> <td>AIR NEW SOURCE PERMITS</td><td>REGISTRATION</td><td>82433</td></tr> <tr> <td>INDUSTRIAL AND HAZARDOUS WASTE GENERATION</td><td>SOLID WASTE REGISTRATION # (SWR)</td><td>30011</td></tr> <tr> <td>INDUSTRIAL AND HAZARDOUS WASTE GENERATION</td><td>EPA ID</td><td>TXD000792937</td></tr> <tr> <td>WASTE WATER GENERAL PERMIT</td><td>PERMIT</td><td>TXG670007</td></tr> </table>				AIR OPERATING PERMITS	ACCOUNT NUMBER	GB0073P	AIR OPERATING PERMITS	PERMIT	1253	AIR OPERATING PERMITS	PERMIT	2599	AIR OPERATING PERMITS	PERMIT	2599	WASTEWATER	PERMIT	TPDES0006009	WASTEWATER	PERMIT	WQ0000449000	WASTEWATER	PERMIT	TX0006009	AIR NEW SOURCE PERMITS	PERMIT	39142	AIR NEW SOURCE PERMITS	PERMIT	42395	AIR NEW SOURCE PERMITS	PERMIT	42394	AIR NEW SOURCE PERMITS	PERMIT	48330	AIR NEW SOURCE PERMITS	ACCOUNT NUMBER	GB0073P	AIR NEW SOURCE PERMITS	PERMIT	962	AIR NEW SOURCE PERMITS	PERMIT	8352	AIR NEW SOURCE PERMITS	PERMIT	8617A	AIR NEW SOURCE PERMITS	PERMIT	53530	AIR NEW SOURCE PERMITS	EPA ID	PSDTX822	AIR NEW SOURCE PERMITS	AFS NUM	4816700007	AIR NEW SOURCE PERMITS	EPA ID	PSDTX822M2	AIR NEW SOURCE PERMITS	PERMIT	71076	AIR NEW SOURCE PERMITS	REGISTRATION	75542	AIR NEW SOURCE PERMITS	REGISTRATION	75695	AIR NEW SOURCE PERMITS	REGISTRATION	72517	AIR NEW SOURCE PERMITS	REGISTRATION	73799	AIR NEW SOURCE PERMITS	REGISTRATION	76530	AIR NEW SOURCE PERMITS	REGISTRATION	76967	AIR NEW SOURCE PERMITS	REGISTRATION	77806	AIR NEW SOURCE PERMITS	REGISTRATION	79850	AIR NEW SOURCE PERMITS	REGISTRATION	79881	AIR NEW SOURCE PERMITS	REGISTRATION	80132	AIR NEW SOURCE PERMITS	REGISTRATION	80059	AIR NEW SOURCE PERMITS	REGISTRATION	80581	AIR NEW SOURCE PERMITS	REGISTRATION	81005	AIR NEW SOURCE PERMITS	REGISTRATION	81523	AIR NEW SOURCE PERMITS	REGISTRATION	81621	AIR NEW SOURCE PERMITS	REGISTRATION	81695	AIR NEW SOURCE PERMITS	REGISTRATION	82055	AIR NEW SOURCE PERMITS	REGISTRATION	82462	AIR NEW SOURCE PERMITS	REGISTRATION	82434	AIR NEW SOURCE PERMITS	REGISTRATION	82433	INDUSTRIAL AND HAZARDOUS WASTE GENERATION	SOLID WASTE REGISTRATION # 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INDUSTRIAL AND HAZARDOUS WASTE GENERATION	SOLID WASTE REGISTRATION # (SWR)	30011																																																																																																																																			
INDUSTRIAL AND HAZARDOUS WASTE GENERATION	EPA ID	TXD000792937																																																																																																																																			
WASTE WATER GENERAL PERMIT	PERMIT	TXG670007																																																																																																																																			
Location:	1301 LOOP 197 S, TEXAS CITY, TX, 77590		Rating Date: September 01 07 Repeat Violator: NO																																																																																																																																		
TCEQ Region:	REGION 12 - HOUSTON																																																																																																																																				
Date Compliance History Prepared:	December 13, 2007																																																																																																																																				
Agency Decision Requiring Compliance History:	Enforcement																																																																																																																																				
Compliance Period:	December 13, 2002 to December 13, 2007																																																																																																																																				

TCEQ Staff Member to Contact for Additional Information Regarding this Compliance History

Name: Jorge Ibarra, P.E. Phone: (817) 588-5890

Site Compliance History Components

- | | |
|--|-----|
| 1. Has the site been in existence and/or operation for the full five year compliance period? | Yes |
| 2. Has there been a (known) change in ownership of the site during the compliance period? | No |
| 3. If Yes, who is the current owner? | N/A |

4. If Yes, who was/were the prior owner(s)?

N/A

5. When did the change(s) in ownership occur?

N/A

Components (Multimedia) for the Site :

A. Final Enforcement Orders, court judgements, and consent decrees of the state of Texas and the federal government.

Effective Date: 03/11/2005

ADMINORDER 2002-1217-IWD-E

Classification: Moderate

Citation: 2D TWC Chapter 26, SubChapter A 26.121(a)
30 TAC Chapter 305, SubChapter F 305.125(1)

Rqmt Prov: Effluent Limitations and Monitoring Reqs PERMIT

Description: Failure to comply with the WET limit NOEC of 8% effluent specified in the permit.

Effective Date: 11/23/2005

COURTORDER

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: 39142, Special Condition No. 1 PA

Description: Exceeded permit limit during an avoidable emissions event.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: 39142, Special Condition No. 1 PA

Description: Exceeded permit limits during an avoidable emissions event.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: 39142/PSDTX822M2, SC#1 PERMIT

Description: Failed to prevent a leak in a heat exchanger (E-1338).

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: TCEQ Flexible Air Permit #39142, SC #1 PERMIT

Description: Exceeded permit limits during an avoidable emissions event.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: 39142/ PSD-TX-822M2 PERMIT

Description: Valero failed to prevent a back-up pump from tripping off.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: TCEQ Flexible Air Permit #39142, SC #1 PERMIT

Description: Exceeded permit limits during an avoidable emissions event.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: 39142, SC No. 1 PA

Description: Exceeded permit limit during an avoidable emissions event.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: TCEQ Flexible Air Permit #39142, SC #1 PERMIT

Description: Exceeded permit limits during an avoidable emissions event.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: TCEQ Flexible Air Permit #39142, SC #1 PERMIT

Description: Exceeded permit limits during an avoidable emissions event.

Classification: Moderate

Citation: 5C THC Chapter 382, SubChapter A 382.085(a)
Description: Failed to prevent an avoidable emissions event.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.110(a)(1)
5C THC Chapter 382, SubChapter A 382.085(b)

Description: Failed to prevent an avoidable emissions event.

Effective Date: 10/19/2006

ADMINORDER 2006-0549-IWD-E

Classification: Moderate

Citation: 2D TWC Chapter 26, SubChapter A 26.121(a)
30 TAC Chapter 305, SubChapter F 305.125(1)

Rqmt Prov: Effluent Limits PERMIT

Description: Failure to comply with permit effluent limits as documented by a TCEQ record review of self-reported data.

Effective Date: 05/11/2007

ADMINORDER 2006-0012-AIR-E

Classification: Moderate

Citation: 30 TAC Chapter 117, SubChapter E 117.520(c)(2)(A)(i)
5C THC Chapter 382, SubChapter A 382.085(b)

Description: Failure to install continuous emissions monitoring systems ("CEMS") on boilers B-07 and B-11 by March 31, 2005.

Effective Date: 08/23/2007

ADMINORDER 2006-1067-AIR-E

Classification: Moderate

Citation: 30 TAC Chapter 112, SubChapter B 112.31
30 TAC Chapter 116, SubChapter G 116.715(a)
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: TCEQ Flexible Air Permit No. 39142, SC1 PERMIT

Description: As evidenced by Findings of Fact No. 12, Valero failed to prevent unauthorized emissions that exceeded the fence line H2S concentration limit during an emissions event that started on October 4, 2004.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
5C THC Chapter 382, SubChapter D 382.085(b)

Rqmt Prov: 39142, SC No. 1 PA

Description: Failure to prevent an overpressure condition resulting in unauthorized emissions.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
5C THC Chapter 382, SubChapter D 382.085(b)

Rqmt Prov: 39142, SC No. 1 PA

Description: Failure to prevent a control valve malfunction resulting in unauthorized emissions.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
5C THC Chapter 382, SubChapter D 382.085(b)

Rqmt Prov: 39142, SC No. 1 PA

Description: Failure to maintain calibration of a level indicator resulting in unauthorized emissions.

Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter F 101.201(c)
5C THC Chapter 382, SubChapter D 382.085(b)

Description: Failure to submit final report no later than two weeks after end of emissions event.

Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter F 101.201(c)
5C THC Chapter 382, SubChapter D 382.085(b)

Description: Failure to submit a final report no later than two weeks after the end of an emissions event.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
5C THC Chapter 382, SubChapter D 382.085(b)

Rqmt Prov: 39142, SC No. 1 PA

Description: Failure to prevent a control valve malfunction resulting in unauthorized emissions.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
5C THC Chapter 382, SubChapter D 382.085(b)

Rqmt Prov: 39142 SC No. 1 PA

Description: Failure to prevent a control valve malfunction resulting in unauthorized emissions

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
5C THC Chapter 382, SubChapter D 382.085(b)

Rqmt Prov: 39142, SC No. 1 PA

Description: Failure to prevent a tank overflow resulting in unauthorized emissions.

Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter F 101.201(b)(1)(H)
5C THC Chapter 382, SubChapter D 382.085(b)

Description: Failure to provide preconstruction authorization number on final report.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
5C THC Chapter 382, SubChapter D 382.085(b)

Rqmt Prov: 39142, SC 1 PA

Description: Exceeded permit limits during an avoidable emissions event.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
5C THC Chapter 382, SubChapter D 382.085(b)

Rqmt Prov: 39142, SC No. 1 PA

Description: Exceeded permit limits during an avoidable emissions event.

Effective Date: 11/19/2007

ADMINORDER 2006-0468-MLM-E

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: No. 39142, SC No. 1 PA

Description: Failed to prevent unauthorized emissions from Flare Nos. 2 and 3 (EPN EFL-02 and EFL-03) during an emissions event which occurred on October 13, 2005 in the Utilities Unit and lasted 2 hours and 15 minutes, as documented during a record review conducted on February 8, 2006. Since this emissions event was avoidable, Valero failed to meet the demonstrations for an affirmative defense in 30 TEX.

ADMIN. CODE § 101.222.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: 39142, SC No. 1 PA

Description: Failed to prevent unauthorized emissions from Flare Nos. 2, 3 and 4 (EPN EFL-02, EFL-03 and EFL-04) during an emissions event which occurred on November 28, 2005 in the Utilities Unit and lasted 24 hours and 29 minutes, as documented during a record review conducted on January 25, 2006. Since this emissions event was avoidable, Valero failed to meet the demonstrations for an affirmative defense in 30 TEX. ADMIN. CODE § 101.222.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
5C THC Chapter 382, SubChapter D 382.085(b)

Rqmt Prov: No. 39142, SC No. 1 PA

Description: Failed to prevent unauthorized emissions from the Incinerator Stack (EPN EG-18-1403) during an emissions event which occurred on September 20, 2005 in the Gas-Oil Hydrotreater (GOHT) Unit (PRU) and lasted 55 hours, as documented during an investigation conducted on November 29, 2005. Since this emissions event was avoidable, Valero failed to meet the demonstrations for an affirmative defense in 30 TEX. ADMIN. CODE § 101.222.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
5C THC Chapter 382, SubChapter D 382.085(b)

Rqmt Prov: 39142 PA

Description: Failed to prevent unauthorized emissions during a September 25, 2006 emissions event, as documented during a record review conducted on November 29, 2006. Specifically, during the September 25, 2006 emissions event the following unauthorized emissions were released from the No. 2 and No. 3 Flare over a period of fifty-five minutes: 2,101 lbs of sulfur dioxide, 328.5 lbs of volatile organic compounds, 191 lbs of carbon monoxide, and 26.4 lbs of nitrogen oxides.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)
30 TAC Chapter 116, SubChapter G 116.715(a)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.18(c)(2)
5C THC Chapter 382, SubChapter D 382.085(b)

Rqmt Prov: 39142, SC No. 1 PA

Description: Failed to prevent unauthorized emissions and failure to operate a flare with a flame present during an October 14, 2006 emissions event, as documented during a record review conducted on December 13, 2006. Specifically, on October 14, 2006 through October 15, 2006, over a period of 4 hours and 14 minutes, Flare No. 3 (EPN EFL-03) located in the Utilities Unit, emitted 1,333.4 lbs of ethylene and 1,394.5 lbs of propane. Flexible Air Permit No. 39142 does not authorize any upset emissions.

B. Any criminal convictions of the state of Texas and the federal government.

N/A

C. Chronic excessive emissions events.

N/A

D. The approval dates of investigations. (CCEDS Inv. Track. No.)

1	12/20/2002	(158520)
2	01/16/2003	(17965)
3	01/21/2003	(158524)
4	01/31/2003	(21539)
5	02/13/2003	(24351)
6	02/18/2003	(158482)
7	02/24/2003	(6655)
8	03/24/2003	(158485)
9	04/16/2003	(24233)
10	04/16/2003	(24831)
11	04/21/2003	(158490)
12	05/06/2003	(27702)
13	05/09/2003	(35604)
14	05/23/2003	(158494)
15	05/27/2003	(35847)
16	05/27/2003	(34689)
17	05/27/2003	(35995)
18	05/27/2003	(34681)
19	05/28/2003	(34893)
20	05/30/2003	(37806)
21	05/30/2003	(37838)
22	05/30/2003	(37791)
23	06/19/2003	(36509)
24	06/19/2003	(36515)
25	06/24/2003	(158506)
26	06/24/2003	(158498)
27	06/25/2003	(37826)
28	06/25/2003	(35521)
29	07/02/2003	(60623)
30	07/22/2003	(158502)
31	08/06/2003	(143528)
32	08/19/2003	(148080)
33	08/23/2003	(60572)
34	08/25/2003	(143078)
35	08/28/2003	(149898)
36	09/25/2003	(295526)
37	10/16/2003	(152454)
38	10/16/2003	(152211)
39	10/21/2003	(250278)
40	10/23/2003	(295528)
41	11/21/2003	(295529)
42	12/29/2003	(295530)
43	12/29/2003	(295532)
44	02/23/2004	(295513)
45	02/25/2004	(261619)
46	02/27/2004	(263268)
47	02/29/2004	(251270)
48	03/02/2004	(254943)
49	03/10/2004	(261338)
50	03/16/2004	(265447)
51	03/16/2004	(261251)
52	03/19/2004	(295517)
53	04/21/2004	(295518)
54	05/20/2004	(295520)
55	05/21/2004	(268720)
56	05/21/2004	(268709)
57	06/02/2004	(268446)
58	06/11/2004	(270014)
59	06/17/2004	(295522)
60	06/18/2004	(272120)
61	07/02/2004	(272940)
62	07/02/2004	(271086)
63	07/02/2004	(271249)
64	07/02/2004	(272143)
65	07/02/2004	(271833)
66	07/05/2004	(271296)

67	07/16/2004	(272858)
68	07/20/2004	(273783)
69	07/22/2004	(257997)
70	07/26/2004	(352180)
71	07/30/2004	(274385)
72	07/30/2004	(278540)
73	07/30/2004	(274350)
74	08/03/2004	(286886)
75	08/04/2004	(276497)
76	08/06/2004	(258328)
77	08/13/2004	(261714)
78	08/13/2004	(261538)
79	08/16/2004	(282158)
80	08/16/2004	(280377)
81	08/17/2004	(289843)
82	08/17/2004	(258260)
83	08/24/2004	(352181)
84	08/28/2004	(264976)
85	08/31/2004	(268711)
86	08/31/2004	(269258)
87	08/31/2004	(270855)
88	08/31/2004	(271300)
89	09/01/2004	(291403)
90	09/01/2004	(289773)
91	09/15/2004	(334014)
92	09/23/2004	(352182)
93	10/19/2004	(334137)
94	10/22/2004	(352183)
95	10/27/2004	(289067)
96	11/11/2004	(281257)
97	11/12/2004	(281637)
98	11/12/2004	(283676)
99	11/12/2004	(281714)
100	11/12/2004	(281823)
101	11/15/2004	(337390)
102	11/18/2004	(352184)
103	12/10/2004	(285390)
104	12/13/2004	(340262)
105	12/13/2004	(290035)
106	12/14/2004	(281320)
107	12/14/2004	(334546)
108	12/14/2004	(338676)
109	12/14/2004	(334780)
110	12/16/2004	(281398)
111	12/16/2004	(283937)
112	12/17/2004	(338870)
113	12/20/2004	(381870)
114	12/20/2004	(281999)
115	12/23/2004	(339913)
116	12/28/2004	(281856)
117	01/03/2005	(281991)
118	01/04/2005	(282000)
119	01/04/2005	(281998)
120	01/04/2005	(338922)
121	01/06/2005	(346230)
122	01/06/2005	(285581)
123	01/10/2005	(339417)
124	01/10/2005	(339003)
125	01/10/2005	(281993)
126	01/10/2005	(281997)
127	01/12/2005	(339012)
128	01/24/2005	(345619)
129	01/24/2005	(381871)
130	01/31/2005	(285435)
131	02/14/2005	(274930)
132	02/22/2005	(381868)
133	03/22/2005	(381869)
134	03/31/2005	(350576)

135	04/25/2005	(419706)
136	04/26/2005	(343243)
137	04/26/2005	(281994)
138	04/27/2005	(282002)
139	05/02/2005	(350537)
140	05/02/2005	(349631)
141	05/20/2005	(348483)
142	05/23/2005	(419707)
143	05/25/2005	(351133)
144	06/14/2005	(373350)
145	06/14/2005	(378741)
146	06/14/2005	(419708)
147	06/23/2005	(378628)
148	06/27/2005	(397418)
149	06/28/2005	(348790)
150	06/30/2005	(397555)
151	07/07/2005	(399131)
152	07/13/2005	(399194)
153	07/15/2005	(348789)
154	07/22/2005	(440845)
155	07/22/2005	(397707)
156	08/02/2005	(348759)
157	08/03/2005	(403276)
158	08/03/2005	(403101)
159	08/08/2005	(403521)
160	08/08/2005	(403525)
161	08/10/2005	(396623)
162	08/13/2005	(400189)
163	08/13/2005	(397699)
164	08/17/2005	(400929)
165	08/18/2005	(406027)
166	08/19/2005	(396740)
167	08/22/2005	(406017)
168	08/23/2005	(440846)
169	08/24/2005	(400925)
170	08/29/2005	(406800)
171	09/01/2005	(400337)
172	09/23/2005	(440847)
173	10/20/2005	(468457)
174	11/22/2005	(468458)
175	12/06/2005	(438942)
176	12/20/2005	(468459)
177	12/28/2005	(449585)
178	12/29/2005	(439223)
179	12/29/2005	(449459)
180	01/17/2006	(431818)
181	01/24/2006	(468460)
182	01/30/2006	(440131)
183	02/01/2006	(451967)
184	02/15/2006	(439989)
185	02/17/2006	(468454)
186	02/17/2006	(439355)
187	02/21/2006	(455248)
188	03/16/2006	(455002)
189	03/21/2006	(468455)
190	03/29/2006	(453666)
191	03/31/2006	(434168)
192	04/13/2006	(468456)
193	04/26/2006	(457610)
194	04/27/2006	(460539)
195	05/08/2006	(453710)
196	05/11/2006	(461750)
197	05/15/2006	(462815)
198	05/17/2006	(464808)
199	05/18/2006	(498220)
200	05/25/2006	(457878)
201	05/31/2006	(463733)
202	06/16/2006	(498221)

203	06/27/2006	(481343)
204	06/30/2006	(483867)
205	06/30/2006	(462803)
206	06/30/2006	(481516)
207	06/30/2006	(462898)
208	07/06/2006	(482247)
209	07/14/2006	(486365)
210	07/15/2006	(486391)
211	07/17/2006	(479861)
212	07/18/2006	(498222)
213	07/19/2006	(483715)
214	07/19/2006	(483638)
215	07/19/2006	(482178)
216	07/21/2006	(487892)
217	07/21/2006	(487175)
218	07/21/2006	(487390)
219	07/25/2006	(488179)
220	07/26/2006	(462901)
221	07/26/2006	(482594)
222	08/10/2006	(520234)
223	08/25/2006	(488734)
224	09/01/2006	(509756)
225	09/01/2006	(488032)
226	09/01/2006	(488541)
227	09/01/2006	(489837)
228	09/01/2006	(489434)
229	09/01/2006	(487342)
230	09/01/2006	(489815)
231	09/01/2006	(466736)
232	09/01/2006	(488559)
233	09/01/2006	(488176)
234	09/01/2006	(488979)
235	09/01/2006	(509730)
236	09/01/2006	(478491)
237	09/01/2006	(488624)
238	09/01/2006	(478556)
239	09/01/2006	(488740)
240	09/01/2006	(488134)
241	09/01/2006	(490185)
242	09/01/2006	(488020)
243	09/01/2006	(508690)
244	09/01/2006	(488633)
245	09/01/2006	(489467)
246	09/01/2006	(488191)
247	09/01/2006	(509784)
248	09/01/2006	(466735)
249	09/01/2006	(478638)
250	09/01/2006	(489863)
251	09/01/2006	(509713)
252	09/01/2006	(487896)
253	09/01/2006	(509158)
254	09/01/2006	(489866)
255	09/18/2006	(520235)
256	09/27/2006	(512555)
257	09/28/2006	(509876)
258	10/11/2006	(514061)
259	10/19/2006	(520236)
260	10/23/2006	(512981)
261	10/31/2006	(517239)
262	11/07/2006	(516594)
263	11/13/2006	(518837)
264	11/15/2006	(519473)
265	11/15/2006	(544546)
266	11/21/2006	(519775)
267	12/13/2006	(544547)
268	12/18/2006	(345058)
269	12/21/2006	(532369)
270	12/21/2006	(532370)

271	01/16/2007	(534075)
272	01/19/2007	(532751)
273	01/19/2007	(544548)
274	02/07/2007	(536972)
275	02/09/2007	(534096)
276	02/14/2007	(544545)
277	03/15/2007	(531898)
278	03/15/2007	(575352)
279	03/15/2007	(533196)
280	03/23/2007	(543996)
281	04/02/2007	(539574)
282	04/05/2007	(543902)
283	04/09/2007	(555314)
284	04/09/2007	(543124)
285	04/10/2007	(543795)
286	04/11/2007	(556038)
287	04/11/2007	(556037)
288	04/17/2007	(575353)
289	04/30/2007	(557962)
290	04/30/2007	(556603)
291	04/30/2007	(556624)
292	05/08/2007	(555995)
293	05/10/2007	(559619)
294	05/10/2007	(559617)
295	05/10/2007	(559620)
296	05/11/2007	(558768)
297	05/14/2007	(559618)
298	05/14/2007	(558769)
299	05/14/2007	(555999)
300	05/20/2007	(575354)
301	05/31/2007	(542320)
302	06/01/2007	(561100)
303	06/04/2007	(561098)
304	06/20/2007	(575355)
305	06/22/2007	(561101)
306	07/03/2007	(566302)
307	07/09/2007	(564575)
308	07/11/2007	(431249)
309	07/20/2007	(575356)
310	07/23/2007	(531864)
311	07/31/2007	(564508)
312	08/10/2007	(564206)
313	08/10/2007	(512666)
314	08/10/2007	(564225)
315	08/20/2007	(607555)
316	08/24/2007	(570707)
317	08/24/2007	(570706)
318	09/20/2007	(607556)
319	10/02/2007	(572268)
320	10/05/2007	(595008)
321	10/05/2007	(572254)
322	10/09/2007	(594109)
323	10/10/2007	(595720)
324	10/11/2007	(568182)
325	10/11/2007	(567830)
326	10/11/2007	(568141)
327	10/11/2007	(593936)
328	10/11/2007	(568234)
329	10/12/2007	(572190)
330	10/12/2007	(572204)
331	10/12/2007	(572244)
332	10/15/2007	(593466)
333	10/16/2007	(568501)
334	10/17/2007	(595009)
335	10/19/2007	(607557)
336	11/16/2007	(568445)
337	11/19/2007	(598398)
338	11/19/2007	(595089)

339 11/19/2007 (597629)
 340 11/19/2007 (571858)
 341 11/19/2007 (597934)
 342 11/27/2007 (571671)
 343 12/05/2007 (609936)

E. Written notices of violations (NOV). (CCEDS Inv. Track. No.)

Date:	12/31/2002	(158524)	Classification:	Moderate
Self Report?	YES			
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)			
Description:	Failure to meet the limit for one or more permit parameter			
Date:	01/31/2003	(158482)	Classification:	Moderate
Self Report?	YES			
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)			
Description:	Failure to meet the limit for one or more permit parameter			
Date:	04/30/2003	(158494)	Classification:	Moderate
Self Report?	YES			
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)			
Description:	Failure to meet the limit for one or more permit parameter			
Date:	06/30/2003	(158502)	Classification:	Moderate
Self Report?	YES			
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)			
Description:	Failure to meet the limit for one or more permit parameter			
Date:	08/27/2003	(143078)	Classification:	Minor
Self Report?	NO			
Citation:	30 TAC Chapter 101, SubChapter A 101.20(2) 30 TAC Chapter 115, SubChapter D 115.352(4) 30 TAC Chapter 116, SubChapter G 116.715(a) 40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.167(a)			
Rqmt Prov:	PA 39412, SC 15E			
Description:	Non clerical air violation			
Date:	12/31/2003	(295532)	Classification:	Moderate
Self Report?	YES			
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)			
Description:	Failure to meet the limit for one or more permit parameter			
Date:	02/29/2004	(251270)	Classification:	Minor
Self Report?	NO			
Citation:	30 TAC Chapter 101, SubChapter F 101.201(b)(7)			
Description:	Valero failed to properly report an emissions event.			
Date:	03/02/2004	(254943)	Classification:	Moderate
Self Report?	NO			
Citation:	30 TAC Chapter 116, SubChapter G 116.715(a) 5C THC Chapter 382, SubChapter A 382.085(b)			
Rqmt Prov:	PERMIT TCEQ FLEXIBLE AIR PERMIT 39142, SC #1			
Description:	Valero exceeded permitted source emission limits during an avoidable emissions event.			
Self Report?	NO		Classification:	Moderate
Citation:	30 TAC Chapter 101, SubChapter A 101.20(1) 40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.18(c)(2)			
Rqmt Prov:	PERMIT TCEQ FLEXIBLE AIR PERMIT SC #2(A)			
Description:	Valero operated Flare #4 with no flame present.			
Date:	03/04/2004	(261689)	Classification:	Moderate
Self Report?	NO			
Citation:	30 TAC Chapter 101, SubChapter A 101.4			
Description:	Valero is in of violation for adversely affecting the normal use and enjoyment of property.			
Date:	04/30/2004	(295520)	Classification:	Moderate
Self Report?	YES			
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)			
Description:	Failure to meet the limit for one or more permit parameter			
Date:	07/26/2004	(257997)	Classification:	Moderate
Self Report?	NO			

Citation:	30 TAC Chapter 101, SubChapter A 101.20(1) 30 TAC Chapter 116, SubChapter G 116.715(a) 40 CFR Chapter 60, SubChapter C, PT 60, SubPT J 60.104(a)(1)		
Rqmt Prov:	PERMIT Flexible Permit # 39142 and PSD-TX-822M2 PERMIT Flexible Permit #39142 and PSD-TX-822M2		
Description:	Failure to maintain Coker fuel gas H2S concentration below 162 ppm on a three-hour average basis.		
Self Report?	NO	Classification:	Moderate
Citation:	30 TAC Chapter 116, SubChapter G 116.715(a)		
Rqmt Prov:	PERMIT Flexible Permit # 39142 and PSD-TX-822M2		
Description:	Failure to maintain Coker fuel gas H2S concentration below 162 ppm on a one hour average basis.		
Self Report?	NO	Classification:	Moderate
Citation:	30 TAC Chapter 101, SubChapter F 101.201(a)(1) 30 TAC Chapter 116, SubChapter G 116.715(a)		
Rqmt Prov:	PERMIT Flexible Permit # 39142 and PSD-TX-822M2		
Description:	Failure to report a reportable emission event which resulted in the release of H2S and benzene emissions in excess of the reportable quantity.		
Self Report?	NO	Classification:	Moderate
Citation:	30 TAC Chapter 116, SubChapter G 116.715(a)		
Rqmt Prov:	PERMIT Flexible Permit # 39142 and PSD-TX-822M2		
Description:	failure to maintain the SRU thermal reactor with sour water overhead gas flow at a flame temperature of 2000 degrees F or greater. Failure to maintain the SRU thermal reactor with sour water overhead gas flow at a flame temperature of 2000 degrees F or greater.		
Date:	08/28/2004 (264976)		
Self Report?	NO	Classification:	Moderate
Citation:	30 TAC Chapter 116, SubChapter G 116.715(a) 5C THC Chapter 382, SubChapter A 382.085(b)		
Rqmt Prov:	PA Flexible Permit No. 39142, SC 1		
Description:	Failure to prevent unauthorized emissions during an emissions event.		
Date:	08/31/2004 (270855)		
Self Report?	NO	Classification:	Moderate
Citation:	30 TAC Chapter 116, SubChapter G 116.715(a)		
Rqmt Prov:	PA Permit No. 39142 and PSD-TX-822M2, SC #1		
Description:	Exceeded permit limits.		
Date:	08/31/2004 (271300)		
Self Report?	NO	Classification:	Moderate
Citation:	30 TAC Chapter 116, SubChapter G 116.715(a) 5C THC Chapter 382, SubChapter A 382.085(b)		
Rqmt Prov:	PA Flexible Permit No. 39142, SC 1		
Description:	Failure to prevent unauthorized emissions.		
Date:	08/31/2004 (269258)		
Self Report?	NO	Classification:	Moderate
Citation:	30 TAC Chapter 116, SubChapter G 116.715(a) 5C THC Chapter 382, SubChapter A 382.085(b)		
Rqmt Prov:	PA Flexible Permit No. 39142, SC 1		
Description:	Failure to prevent unauthorized emissions.		
Date:	09/30/2004 (352183)		
Self Report?	YES	Classification:	Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)		
Description:	Failure to meet the limit for one or more permit parameter		
Date:	12/10/2004 (285390)		
Self Report?	NO	Classification:	Moderate
Citation:	30 TAC Chapter 116, SubChapter G 116.715(a) 5C THC Chapter 382, SubChapter A 382.085(b)		
Rqmt Prov:	PA 39142 and PSD-TX-822M2		
Description:	Failure to meet demonstration criteria.		
Date:	12/28/2004 (281856)		
Self Report?	NO	Classification:	Moderate
Citation:	30 TAC Chapter 116, SubChapter G 116.715(a) 5C THC Chapter 382, SubChapter A 382.085(b)		
Rqmt Prov:	PA 9142 and PSD-TX-822M2		
Description:	Failure to meet demonstration criteria.		
Date:	12/31/2004 (381871)		
Self Report?	YES	Classification:	Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)		
Description:	Failure to meet the limit for one or more permit parameter		

Date:	01/06/2005	(338922)	Classification:	Moderate
Self Report?	NO			
Citation:	30 TAC Chapter 116, SubChapter G 116.715(c)(7) 5C THC Chapter 382, SubChapter A 382.085(b)			
Rqmt Prov:	PA 39142, Special Condition No. 1			
Description:	Failure to meet demonstration criteria.			
Date:	01/31/2005	(285435)	Classification:	Moderate
Self Report?	NO			
Citation:	30 TAC Chapter 116, SubChapter G 116.715(a) 5C THC Chapter 382, SubChapter A 382.085(b)			
Rqmt Prov:	PA 39142, SC No. 1			
Description:	Failure to meet demonstration criteria.			
Date:	02/28/2005	(381869)	Classification:	Moderate
Self Report?	YES			
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)			
Description:	Failure to meet the limit for one or more permit parameter			
Date:	03/31/2005	(419706)	Classification:	Moderate
Self Report?	YES			
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)			
Description:	Failure to meet the limit for one or more permit parameter			
Date:	08/10/2005	(396623)	Classification:	Moderate
Self Report?	NO			
Citation:	30 TAC Chapter 116, SubChapter G 116.715(a) 5C THC Chapter 382, SubChapter A 382.085(b)			
Rqmt Prov:	PA 39142, Special Condition No. 1			
Description:	Valero failed to control hydrocarbon carryover from the Delayed Coker Unit into the Amine Unit.			
Date:	10/31/2005	(468458)	Classification:	Moderate
Self Report?	YES			
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)			
Description:	Failure to meet the limit for one or more permit parameter			
Date:	11/30/2005	(468459)	Classification:	Moderate
Self Report?	YES			
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)			
Description:	Failure to meet the limit for one or more permit parameter			
Date:	12/31/2005	(468460)	Classification:	Moderate
Self Report?	YES			
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)			
Description:	Failure to meet the limit for one or more permit parameter			
Date:	01/31/2006	(451967)	Classification:	Moderate
Self Report?	NO			
Citation:	TWC Chapter 26 26.121(a)(1)			
Rqmt Prov:	PERMIT No. 00449-000 Page 7, No. 2g			
Description:	Failure to prevent unauthorized discharges of solids and oil into waters of the State.			
Self Report?	NO			
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1)			
Rqmt Prov:	PERMIT 00449-000 Page 2, No. 1 & Page 2d, no. 1			
Description:	Failure to maintain compliance with the self-monitored, permitted effluent limits for Total Suspended Solids, Oil & Grease, and Total Zinc.			
Date:	02/21/2006	(455248)	Classification:	Moderate
Self Report?	NO			
Citation:	30 TAC Chapter 116, SubChapter G 116.715(a) 5C THC Chapter 382, SubChapter A 382.085(b)			
Rqmt Prov:	PA No. 39142			
Description:	Exceeded permit limits during an avoidable emissions event.			
Date:	04/30/2006	(498220)	Classification:	Moderate
Self Report?	YES			
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)			
Description:	Failure to meet the limit for one or more permit parameter			
Date:	06/30/2006	(481516)	Classification:	Moderate
Self Report?	NO			

Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
5C THC Chapter 382, SubChapter D 382.085(b)
Rqmt Prov: PA 39142, SC No. 1
Description: Failure to prevent an unplanned compressor shutdown resulting in unauthorized emissions from flaring.
Date: 06/30/2006 (483867)
Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 117, SubChapter B 117.206(e)(2)
Description: RE exceeded the NH3 emission limit of 10 ppm set forth in 30 TAC 117.206(e)(2).
Date: 09/29/2006 (509876)
Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
5C THC Chapter 382, SubChapter D 382.085(b)
Rqmt Prov: PA 39142, SC No. 1
Description: Exceeded permit limits during an avoidable emissions event.
Date: 01/31/2007 (544545)
Self Report? YES Classification: Moderate

Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
TWC Chapter 26 26.121(a)
Description: Failure to meet the limit for one or more permit parameter
Date: 03/31/2007 (575353)
Self Report? YES Classification: Moderate

Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
TWC Chapter 26 26.121(a)
Description: Failure to meet the limit for one or more permit parameter
Date: 04/04/2007 (539574)
Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
5C THC Chapter 382, SubChapter D 382.085(b)
Rqmt Prov: PA 39142, SC No. 1
Description: Exceeded permit limits during an avoidable emissions event.
Date: 04/10/2007 (543996)
Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
5C THC Chapter 382, SubChapter D 382.085(b)
Rqmt Prov: PA 39142, SC No. 1
Description: Exceeded permit limits during an avoidable emissions event.
Date: 06/04/2007 (561098)
Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
5C THC Chapter 382, SubChapter D 382.085(b)
Rqmt Prov: PERMIT 39142, SC No. 1
Description: Failure to exercise good maintenance practices.
Date: 06/30/2007 (575356)
Self Report? YES Classification: Moderate

Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
TWC Chapter 26 26.121(a)
Description: Failure to meet the limit for one or more permit parameter
Date: 07/31/2007 (607555)
Self Report? YES Classification: Moderate

Citation: 2D TWC Chapter 26, SubChapter A 26.121(a)
30 TAC Chapter 305, SubChapter F 305.125(1)
Description: Failure to meet the limit for one or more permit parameter

F. Environmental audits.

N/A

G. Type of environmental management systems (EMSs).

N/A

H. Voluntary on-site compliance assessment dates.

N/A

I. Participation in a voluntary pollution reduction program.

N/A

J. Early compliance.

N/A

Sites Outside of Texas

N/A

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



**IN THE MATTER OF AN
ENFORCEMENT ACTION
CONCERNING
VALERO REFINING-TEXAS, L.P.
RN100238385**

**§ BEFORE THE
§
§ TEXAS COMMISSION ON
§
§ ENVIRONMENTAL QUALITY**

AGREED ORDER DOCKET NO. 2007-2039-AIR-E

I. JURISDICTION AND STIPULATIONS

At its _____ agenda, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding Valero Refining-Texas, L.P. ("the Respondent") under the authority of TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondent appear before the Commission and together stipulate that:

1. The Respondent owns and operates an oil and gas refining operation at 1301 Loop 197 South in Texas City, Galveston County, Texas (the "Plant").
2. The Plant consists of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
3. The Commission and the Respondent agree that the Commission has jurisdiction to enter this Agreed Order, and that the Respondent is subject to the Commission's jurisdiction.
4. The Respondent received notice of the violations alleged in Section II ("Allegations") on or about December 10, 2007.
5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by the Respondent of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
6. An administrative penalty in the amount of Ten Thousand Dollars (\$10,000) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid Four Thousand Dollars (\$4,000) of the administrative penalty and Two Thousand Dollars (\$2,000) is deferred contingent upon the Respondent's timely and satisfactory compliance with all the terms of this Agreed Order. The deferred amount will be waived upon full

compliance with the terms of this Agreed Order. If the Respondent fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require the Respondent to pay all or part of the deferred penalty. Four Thousand Dollars (\$4,000) shall be conditionally offset by the Respondent's completion of a Supplemental Environmental Project ("SEP").

7. Any notice and procedures, which might otherwise be authorized or required in this action, are waived in the interest of a more timely resolution of the matter.
8. The Executive Director of the TCEQ and the Respondent have agreed on a settlement of the matters alleged in this enforcement action, subject to the approval of the Commission.
9. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Agreed Order.
10. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.
11. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable.

II. ALLEGATIONS

As owner and operator of the Plant, the Respondent is alleged to have failed to maintain an emission rate below the maximum allowable emission limits from Boiler 27 [emission point number ("EPN EB-27")], Boiler 28 ("EPN EB-28"), No. 1 Flare Stack ("EPN EFL-01"), No. 2 Flare Stack ("EPN EFL-02"), No. 3 Flare Stack ("EPN EFL-03"), and No. 4 Flare Stack ("EPN EFL-04"), in violation of 30 TEX. ADMIN. CODE § 116.715(a), Permit No. 39142, Special Condition No. 1, and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on November 28, 2007. Specifically, 1,730 pounds ("lbs") of volatile organic compounds, 890.7 lbs of sulfur dioxide, 86.9 lbs of nitrogen oxides, 18.5 lbs of carbon dioxide, and 10 lbs of hydrogen sulfide were emitted on September 27, 2007 in a 2 hour, 1 minute period.

III. DENIALS

The Respondent generally denies each allegation in Section II ("Allegations").

IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that the Respondent pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and the Respondent's compliance with all the terms and conditions set forth in this Agreed Order resolve only the allegations in Section II. The Commission shall not be constrained in any manner from requiring corrective action or penalties for violations, which are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: Valero Refining-Texas, L.P., Docket No. 2007-2039-AIR-E" to:

Financial Administration Division, Revenues Section
Attention: Cashier's Office, MC 214
Texas Commission on Environmental Quality
P.O. Box 13088
Austin, Texas 78711-3088

2. The Respondent shall implement and complete a SEP in accordance with TEX. WATER CODE § 7.067. As set forth in Section I, Paragraph 6 above, Four Thousand Dollars (\$4,000) of the assessed administrative penalty shall be offset with the condition that the Respondent implement the SEP defined in Attachment A, incorporated herein by reference. The Respondent's obligation to pay the conditionally offset portion of the administrative penalty assessed shall be discharged upon final completion of all provisions of the SEP agreement.
3. It is further ordered that the Respondent shall undertake the following technical requirements:
 - a. Within 30 days after the effective date of this Agreed Order, develop and implement measures to improve design, operations, and/or maintenance practices to prevent the reoccurrence of events similar to the emission events that occurred on September 27, 2007; and
 - b. Within 45 days after the effective date of this Agreed Order, submit written certification as described below, and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision No. 3.a. The certification shall be notarized by a State of Texas Notary Public and include the following certification language:

"I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations."

The certification shall be submitted to:

Order Compliance Team
Enforcement Division, MC 149A
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

with a copy to:

Air Section Manager
Houston Regional Office
Texas Commission on Environmental Quality
5425 Polk Street, Suite H
Houston, Texas 77023-1452

4. The provisions of this Agreed Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Plant operations referenced in this Agreed Order.
5. If the Respondent fails to comply with any of the Ordering Provisions in this Agreed Order within the prescribed schedules, and that failure is caused solely by an act of God, war, strike, riot, or other catastrophe, the Respondent's failure to comply is not a violation of this Agreed Order. The Respondent shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. The Respondent shall notify the Executive Director within seven days after the Respondent becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.
6. The Executive Director may grant an extension of any deadline in this Agreed Order or in any plan, report, or other document submitted pursuant to this Agreed Order, upon a written and substantiated showing of good cause. All requests for extensions by the Respondent shall be made in writing to the Executive Director. Extensions are not effective until the Respondent receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.
7. This Agreed Order, issued by the Commission, shall not be admissible against the Respondent in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.
8. This agreement may be executed in multiple counterparts, which together shall constitute a single original instrument. Any executed signature page to this Agreement may be transmitted by facsimile transmission to the other parties, which shall constitute an original signature for all purposes.
9. Under 30 TEX. ADMIN. CODE § 70.10(b), the effective date is the date of hand-delivery of the Order to the Respondent, or three days after the date on which the Commission mails notice of the Order to the Respondent, whichever is earlier. The Chief Clerk shall provide a copy of this Agreed Order to each of the parties.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission

John S. Rollin
For the Executive Director

4/16/2008
Date

I, the undersigned, have read and understand the attached Agreed Order. I am authorized to agree to the attached Agreed Order on behalf of the entity indicated below my signature, and I do agree to the terms and conditions specified therein. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

I also understand that failure to comply with the Ordering Provisions, if any, in this order and/or failure to timely pay the penalty amount, may result in:

- A negative impact on compliance history;
- Greater scrutiny of any permit applications submitted;
- Referral of this case to the Attorney General's Office for contempt, injunctive relief, additional penalties, and/or attorney fees, or to a collection agency;
- Increased penalties in any future enforcement actions;
- Automatic referral to the Attorney General's Office of any future enforcement actions; and
- TCEQ seeking other relief as authorized by law.

In addition, any falsification of any compliance documents may result in criminal prosecution.

Adrian Araiza
Signature

02/27/2008
Date

Adrian Araiza
Name (Printed or typed)
Authorized Representative of
Valero Refining-Texas, L.P.

Manager, Environmental Affairs
Title

Instructions: Send the original, signed Agreed Order with penalty payment to the Financial Administration Division, Revenues Section at the address in Section IV, Paragraph 1 of this Agreed Order.

Attachment A
Docket Number: 2007-2039-AIR-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	Valero Refining-Texas, L.P.
Payable Penalty Amount:	Eight Thousand Dollars (\$8,000)
SEP Amount:	Four Thousand Dollars (\$4,000)
Type of SEP:	Pre-approved
Third-Party Recipient:	Houston-Galveston AERCO's Clean Cities/Clean Vehicles Program
Location of SEP:	Galveston County

The Texas Commission on Environmental Quality ("TCEQ") agrees to offset a portion of the administrative Penalty Amount assessed in this Agreed Order for the Respondent to contribute to a Supplemental Environmental Project ("SEP"). The offset is equal to the SEP Amount set forth above and is conditioned upon completion of the project in accordance with the terms of this Attachment A.

1. Project Description

A. Project

The Respondent will contribute to Houston-Galveston AERCO's Clean Cities/Clean Vehicles Program in Galveston County. The contribution will be used in accordance with the ***Supplemental Environmental Project Agreement between the Houston-Galveston AERCO and the Texas Commission on Environmental Quality***. SEP monies will be used to aid local school districts and area transit agencies in reaching local match requirements mandated by the Federal Highway Administration's ("FHWA") Congestion Mitigation/Air Quality funding program. SEP monies will be disbursed to school districts and transit agencies in need of funding assistance in the Houston-Galveston non-attainment area. Those SEP monies will be used exclusively by the school districts and transit agencies as supplements to meet the local match requirements of the EPA. SEP monies will be used to pay for the cost of replacing older diesel buses with alternative fueled or clean diesel buses. The old buses will be permanently retired and only sold for scrap. The schools and transit agencies will also use the SEP monies to retrofit more buses to reduce emissions. Houston-Galveston AERCO will send the TCEQ verification in the form of paid invoices and other documentation to show that the retrofits were completed. Retrofit technologies include particulate matter traps, diesel particulate matter filters, NOx reduction catalyst technology in combination with diesel particulate filters, and other emission control technologies that are developed and approved by EPA or the California Air Resources Board.

The Respondent certifies that there is no prior commitment to do this project and that it is being performed solely in an effort to settle this enforcement action.

B. Environmental Benefit

This SEP will provide a discernible environmental benefit by reducing particulate emissions on buses by more than 90% below today's level and reducing hydrocarbons below measurement capability.

C. Minimum Expenditure

The Respondent shall contribute at least the SEP Amount to the Third-Party Recipient and comply with all other provisions of this SEP.

2. Performance Schedule

Within 30 days after the effective date of this Agreed Order, the Respondent must contribute the SEP Amount to the Third-Party Recipient. The Respondent shall mail the contribution, with a copy of the Agreed Order, to:

Houston-Galveston Area Council
Houston-Galveston AERCO
P.O. Box 22777
Houston, Texas 77227-2777

3. Records and Reporting

Concurrent with the payment of the SEP Amount, the Respondent shall provide the TCEQ SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP Amount to the Third-Party Recipient. The Respondent shall mail a copy of the check and transmittal letter to:

Enforcement Division
Attention: SEP Coordinator, MC 219
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

4. Failure to Fully Perform

If the Respondent does not perform its obligations under this SEP in any way, including full payment of the SEP Amount and submittal of the required reporting described in Section 3 above, the Executive Director may require immediate payment of all or part of the SEP Amount.

The check for any amount due shall be made out to "Texas Commission on Environmental Quality" and mailed to:

Texas Commission on Environmental Quality
Financial Administration Division, Revenues
Attention: Cashier, MC 214
P.O. Box 13088
Austin, Texas 78711-3088

The Respondent shall also mail a copy of the check to the TCEQ SEP Coordinator at the address in Section 3 above.

5. Publicity

Any public statements concerning this SEP made by or on behalf of the Respondent must include a clear statement that the project was performed as part of the settlement of an enforcement action brought by the TCEQ. Such statements include advertising, public relations, and press releases.

6. Clean Texas Program

The Respondent shall not include this SEP in any application made to TCEQ under the "Clean Texas" (or any successor) program(s). Similarly, the Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

7. Other SEPs by TCEQ or Other Agencies

The SEP identified in this Agreed Order has not been, and shall not be, included as an SEP for the Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.

